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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

November 24, 2004

David Rudd, Treasurer  
Democratic Senatorial Campaign Committee  
120 Maryland Avenue NE  
Washington, DC 20002

**Response Due Date:**  
**December 27, 2004**

Identification Number: C00042366

Reference: Amended July Monthly Report (6/1/04-6/30/04), dated 10/28/04

Dear Mr. Rudd:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.52(d)(1) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.52(d)(2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.52(d)(1))

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-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following description(s): "Cashiering", "Mailhouse", and "Promotional Materials." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures made for "Printing", "Catering/Facilities", "Postage", "Postage/Shipping", "Mailhouse", "Telemarketing" and "Promotional Materials" on Schedule(s) B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-The limitation on making coordinated party expenditures on behalf of a Senate candidate for the 2004 South Dakota general election is \$74,620. Your reports, however, disclose coordinated party expenditures made on behalf of Tom Daschle totaling \$82,968.11, which appear to exceed the limitations under 2 U.S.C. §441a(d) (see attached).

If any apparently excessive expenditure in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an excessive coordinated party expenditure, you must notify the candidate and request a refund of the amount in excess of the limitation.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the candidate. In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received.

Although the Commission may take further legal action concerning the excessive coordinated party expenditures, prompt action in obtaining a refund will be taken into consideration.

-Schedule B of your report discloses negative disbursements. Please provide further information concerning the nature of these entries. If these entries are voided or returned checks for expenditures made during this or previous reporting periods, please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken in order to avoid the acceptance of a prohibited in-kind contribution.

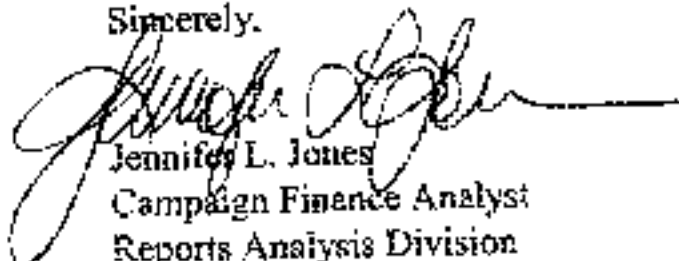
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Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1393.

Sincerely,



Jennifer L. Jones  
Campaign Finance Analyst  
Reports Analysis Division

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Recipient Name	Date	Amount	Election	Report
Tom Daschle	2/2/2004	\$101.35	2004 General	2004 March Monthly Report
Tom Daschle	2/2/2004	\$405.98	2004 General	2004 March Monthly Report
Tom Daschle	6/16/2004	\$1,543.10	2004 General	2004 July Monthly Report
Tom Daschle	6/18/2004	\$60,000.00	2004 General	2004 July Monthly Report
Tom Daschle	6/18/2004	\$20,917.68	2004 General	2004 July Monthly Report

